

medium- and heavy-duty on-highway vehicles.

“(3) LEAD-TIME; REGULATORY STABILITY.—Any commercial medium- and heavy-duty on-highway vehicle fuel efficiency regulatory program adopted pursuant to this subsection shall provide no less than 4 full model years of regulatory lead-time and 3 full model years of regulatory stability.

“(4) COMMERCIAL MEDIUM- AND HEAVY-DUTY ON-HIGHWAY VEHICLE DEFINED.—In this subsection, the term ‘commercial medium- and heavy-duty on-highway vehicle’ means a commercial on-highway vehicle with a gross vehicle weight rating of more than 10,000 pounds.”.

(c) AUTHORITY OF SECRETARY.—Section 32902 of title 49, United States Code, as amended by subsection (b), is further amended by adding at the end thereof the following:

“(1) AUTHORITY OF THE SECRETARY.—

“(1) VEHICLE ATTRIBUTES.—The authority of the Secretary to prescribe by regulation average fuel economy standards for automobiles under this section includes the authority—

“(A) to prescribe standards based on vehicle attributes related to fuel economy and to express the standards in the form of a mathematical function; and

“(B) to issue regulations under this title prescribing average fuel economy standards for 1 or more model years.

“(2) PROHIBITION OF UNIFORM PERCENTAGE INCREASE.—When the Secretary prescribes a standard, or prescribes an amendment under this section that changes a standard, the standard may not be expressed as a uniform percentage increase from the fuel-economy performance of attribute classes or categories already achieved in a model year by a manufacturer.”.

SEC. 503. AMENDING FUEL ECONOMY STANDARDS.

(a) IN GENERAL.—Section 32902(c) of title 49, United States Code, is amended to read as follows:

“(c) AMENDING FUEL ECONOMY STANDARDS.—

“(1) IN GENERAL.—Notwithstanding subsections (a) and (b), the Secretary of Transportation—

“(A) may prescribe a standard higher than that required under subsection (b); or

“(B) may prescribe an average fuel economy standard for automobiles that is the maximum feasible level for the model year, despite being lower than the standard required under subsection (b), if the Secretary determines, based on clear and convincing evidence, that the average fuel economy standard prescribed in accordance with subsections (a) and (b) for automobiles in that model year is shown not to be cost-effective.

“(2) REQUIREMENTS FOR LOWER STANDARD.—Before adopting an average fuel economy standard for automobiles for a model year during model years 2021 through 2030 that is lower than the standard required by subsection (b), the Secretary of Transportation shall do the following:

“(A) NOTICE OF PROPOSED RULE.—At least 30 months before the model year for which the standard is to apply, the Secretary shall post a notice of proposed rulemaking for the proposed standard. The notice shall include a detailed analysis of the basis for the Secretary’s determination under paragraph (1)(B).

“(B) FINAL RULE.—At least 18 months before the model year for which the standard is to apply, the Secretary shall promulgate a final rule establishing the standard.

“(C) REPORT.—The Secretary shall submit a report to Congress that outlines the steps that need to be taken to avoid further reductions in average fuel economy standards.

“(3) MAXIMUM FEASIBLE STANDARD.—An average fuel economy standard prescribed for automobiles under paragraph (1) shall be the maximum feasible standard.”.

(b) FEASIBILITY CRITERIA.—Section 32902(f) of title 49, United States Code, is amended to read as follows:

“(f) DECISIONS ON MAXIMUM FEASIBLE AVERAGE FUEL ECONOMY.—

“(1) IN GENERAL.—When deciding maximum feasible average fuel economy under this section, the Secretary shall consider—

“(A) economic practicability;

“(B) the effect of other motor vehicle standards of the Government on fuel economy;

“(C) environmental impacts; and

“(D) the need of the United States to conserve energy.

“(2) LIMITATIONS.—In setting any standard under subsection (b), (c), or (d), the Secretary shall ensure that each standard is the highest standard that—

“(A) is technologically achievable;

“(B) can be achieved without materially reducing the overall safety of automobiles manufactured or sold in the United States;

“(C) is not less than the standard for that class of vehicles from any prior year; and

“(D) is cost-effective.

“(3) COST-EFFECTIVE DEFINED.—In this subsection, the term ‘cost-effective’ means that the value to the United States of reduced fuel use from a proposed fuel economy standard is greater than or equal to the cost to the United States of such standard. In determining cost-effectiveness, the Secretary shall give priority to those technologies and packages of technologies that offer the largest reduction in fuel use relative to their costs.

“(4) FACTORS FOR CONSIDERATION BY SECRETARY IN DETERMINING COST-EFFECTIVENESS.—The Secretary shall consult with the Administrator of the Environmental Protection Agency, and may consult with such other departments and agencies as the Secretary deems appropriate, and shall consider in the analysis the following factors:

“(A) Economic security.

“(B) The impact of the oil or energy intensity of the United States economy on the sensitivity of the economy to oil and other fuel price changes, including the magnitude of gross domestic product losses in response to short term price shocks or long term price increases.

“(C) National security, including the impact of United States payments for oil and other fuel imports on political, economic, and military developments in unstable or unfriendly oil-exporting countries.

“(D) The uninternalized costs of pipeline and storage oil seepage, and for risk of oil spills from production, handling, and transport, and related landscape damage.

“(E) The emissions of pollutants including greenhouse gases over the lifecycle of the fuel and the resulting costs to human health, the economy, and the environment.

“(F) Such additional factors as the Secretary deems relevant.

“(5) MINIMUM VALUATION.—When considering the value to consumers of a gallon of gasoline saved, the Secretary of Transportation shall use as a minimum value the greater of—

“(A) the average value of gasoline prices projected by the Energy Information Administration over the period covered by the standard; or

“(B) the average value of gasoline prices for the 5-year period immediately preceding the year in which the standard is established.”.

(c) CONSULTATION REQUIREMENT.—Section 32902(i) of title 49, United States Code, is amended by inserting “and the Adminis-

trator of the Environmental Protection Agency” after “Energy”.

(d) COMMENTS.—Section 32902(j) of title 49, United States Code, is amended—

(1) by striking paragraph (1) and inserting “(1) Before issuing a notice proposing to prescribe or amend an average fuel economy standard under subsection (b), (c), or (g) of this section, the Secretary of Transportation shall give the Secretary of Energy and Administrator of the Environmental Protection Agency at least 30 days after the receipt of the notice during which the Secretary of Energy and Administrator may, if the Secretary of Energy or Administrator concludes that the proposed standard would adversely affect the conservation goals of the Secretary of Energy or environmental protection goals of the Administrator, provide written comments to the Secretary of Transportation about the impact of the standard on those goals. To the extent the Secretary of Transportation does not revise a proposed standard to take into account comments of the Secretary of Energy or Administrator on any adverse impact of the standard, the Secretary of Transportation shall include those comments in the notice.”; and

(2) by inserting “and the Administrator” after “Energy” each place it appears in paragraph (2).

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 32902(d) of title 49, United States Code, is amended by striking “passenger” each place it appears.

(2) Section 32902(g) of title 49, United States Code, is amended—

(A) by striking “subsection (a) or (d)” each place it appears in paragraph (1) and inserting “subsection (b), (c), or (d)”;

(B) striking “(and submit the amendment to Congress when required under subsection (c)(2) of this section)” in paragraph (2).

SEC. 504. DEFINITIONS.

(a) IN GENERAL.—Section 32901(a) of title 49, United States Code, is amended—

(1) by striking paragraph (3) and inserting the following:

“(3) except as provided in section 32908 of this title, ‘automobile’ means a 4-wheeled vehicle that is propelled by fuel, or by alternative fuel, manufactured primarily for use on public streets, roads, and highways and rated at not more than 10,000 pounds gross vehicle weight, except—

“(A) a vehicle operated only on a rail line;

“(B) a vehicle manufactured by 2 or more manufacturers in different stages and less than 10,000 of which are manufactured per year; or

“(C) a work truck.”; and

(2) by adding at the end the following:

“(17) ‘work truck’ means an automobile that the Secretary determines by regulation—

“(A) is rated at between 8,500 and 10,000 pounds gross vehicle weight; and

“(B) is not a medium-duty passenger vehicle (as defined in section 86.1803-01 of title 40, Code of Federal Regulations).”.

(b) DEADLINE FOR REGULATIONS.—The Secretary of Transportation—

(1) shall issue proposed regulations implementing the amendments made by subsection (a) not later than 1 year after the date of enactment of this Act; and

(2) shall issue final regulations implementing the amendments not later than 18 months after the date of the enactment of this Act.

(c) EFFECTIVE DATE.—Regulations prescribed under subsection (b) shall apply beginning with model year 2010.

SEC. 505. ENSURING SAFETY OF AUTOMOBILES.

(a) IN GENERAL.—Subchapter II of chapter 301 of title 49, United States Code, is amended by adding at the end the following: